Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

# Message Text

UNCLASSIFIED

PAGE 01 STATE 137902

15
ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 L-03 JUSE-00 OPIC-06 COME-00

TRSE-00 OMB-01 STR-04 SP-02 H-02 CIAE-00 INR-07

NSAE-00 /045 R

DRAFTED BY EB/CSB/BP:RJBUSHNELL:VJW
APPROVED BY EB/CSB/BP:HJWINTER
EUR/CE - LHEICHLER (PHONE)
L/EB - TTALLERICO (INFO)
JUSTICE - DGOLDSWEIG (SUBST)
---------- 023754
R 122246Z JUN 75
FM SECSTATE WASHDC
TO USMISSION USBERLIN
INFO AMEMBASSY BONN
USMISSION EC BRUSSELS
USMISSION OECD PARIS

UNCLAS STATE 137902

E.O. 11652: N/A

TAGS: ETRD, OECD, GW

SUBJECT: ANTITRUST: AMERICAN HOECHST CORPORATION ACQUI-
SITION OF CONTROL OF U.S. FIRM

1. THE JUSTICE DEPARTMENT HAS INFORMED THE DEPARTMENT OF
A CURRENT INVESTIGATION INTO THE ACQUISITION BY AMERICAN
HOECHST CORPORATION (A WHOLLY OWNED SUBSIDIARY OF FARB-
WERKE HOECHST AG OF WEST GERMANY) OF A CONTROLLING INTEREST
IN FOSTER GRANT CO., INC., HEADQUARTERED IN MASSACHUSETTS.

2. PRELIMINARY STUDY INDICATES THAT FOSTER GRANT, WITH
NET SALES FOR THE YEAR ENDED SEPTEMBER 30, 1973, OF
132,423,000 DOLLARS, HAS THE SECOND LARGEST INSTALLED
POLYSTYRENE CAPACITY IN THE UNITED STATES, ACCOUNTING FOR
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 137902

APPROXIMATELY 11 PERCENT OF THE TOTAL UNITED STATES POLY-

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

STYRENE PRODUCTION IN 1972. IN THAT YEAR, THE LATEST ONE FOR WHICH JUSTICE HAS PRODUCTION STATISTICS, IT ALSO ACCOUNTED FOR 12 PERCENT OF DOMESTIC STYRENE MONOMER PRODUCTION. AS WELL, IT IS ONE OF THE TWO LARGEST PRODUCERS OF SUNGLASSES IN THE UNITED STATES.

3. FARBWERKE HOECHST IS ONE OF THE WORLD'S LARGEST CHEMICAL CONCERNS, WITH 1973 WORLDWIDE SALES OF 5,344,800,000 DOLLARS.
4. AMERICAN HOECHST, WITH 1973 SALES OF 338,000,000 DOLS, IS ENGAGED IN THE SALE IN THE UNITED STATES OF THE PRODUCTS OF THE PARENT CORPORATION, AS WELL AS THE MANUFACTURE AND SALE IN THE UNITED STATES OF DIVERSIFIED CHEMICAL PRODUCTS, INCLUDING RESINS AND PLASTIC FILM.

5. GIVEN THE ABOVE FACTS, THE ACQUISITION BY AMERICAN HOECHST OF CONTROL OF FOSTER GRANT MAY LEAD TO A LESSENING OF COMPETITION VIOLATIVE OF THE UNITED STATES ANTITRUST LAWS. THE SIGNIFICANT MARKET SHARES OF FOSTER GRANT (RESINS AND FABRICATED PLASTIC PRODUCTS) COUPLED WITH THE GREAT SIZE AND DIVERSITY OF THE FARBWERKE HOECHST PRODUCT LINE (INCLUDING SOME RESINS AND SOME FABRICATED PLASTIC PRODUCTS) SUGGEST THAT POSSIBILITY.

6. THE JUSTICE DEPARTMENT HAS CONTACTED AMERICAN HOECHST REQUESTING INFORMATION ABOUT THE ACQUISITION NEEDED BY US IN EVALUATING IT. THE THRUST OF THE QUESTIONING CONCERNS THE AMERICAN HOECHST AND FARBWERKE HOECHST PRODUCT LINES. JUSTICE REQUESTED AMERICAN HOECHST TO CONTACT ITS PARENT IN GERMANY, IF NECESSARY, TO OBTAIN INFORMATION RESPONSIVE TO THE QUESTIONS.

7. US MISSION BERLIN IS REQUESTED TO INFORM THE FRG FORMALLY OF THE INVESTIGATION, MAKING SPECIAL REFERENCE TO THE OECD NOTIFICATION PROCEDURE ADOPTED OCTOBER 5, 1967. THE NOTIFICATION SHOULD BE MADE TO: PROF. DR. E. GUNTHER, PRESIDENT, FEDERAL CARTEL OFFICE, MEHRINGDAMM 129. PLEASE REPORT ANY SIGNIFICANT REACTIONS. KISSINGER

UNCLASSIFIED

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

# Message Attributes

**Automatic Decaptioning:** X
**Capture Date:** 01 JAN 1994
**Channel Indicators:** n/a
**Current Classification:** UNCLASSIFIED
**Concepts:** ANTITRUST, INVESTMENTS, INVESTIGATIONS
**Control Number:** n/a
**Copy:** SINGLE
**Draft Date:** 12 JUN 1975
**Decaption Date:** 01 JAN 1960
**Decaption Note:**
**Disposition Action:** n/a
**Disposition Approved on Date:**
**Disposition Authority:** n/a
**Disposition Case Number:** n/a
**Disposition Comment:**
**Disposition Date:** 01 JAN 1960
**Disposition Event:**
**Disposition History:** n/a
**Disposition Reason:**
**Disposition Remarks:**
**Document Number:** 1975STATE137902
**Document Source:** CORE
**Document Unique ID:** 00
**Drafter:** RJBUSHNELL:VJW
**Enclosure:** n/a
**Executive Order:** N/A
**Errors:** N/A
**Film Number:** D750231-0577
**From:** STATE
**Handling Restrictions:** n/a
**Image Path:**
**ISecure:** 1
**Legacy Key:** link1975/newtext/t19750655/aaaabyeb.tel
**Line Count:** 98
**Locator:** TEXT ON-LINE, ON MICROFILM
**Office:** ORIGIN EB
**Original Classification:** UNCLASSIFIED
**Original Handling Restrictions:** n/a
**Original Previous Classification:** n/a
**Original Previous Handling Restrictions:** n/a
**Page Count:** 2
**Previous Channel Indicators:** n/a
**Previous Classification:** n/a
**Previous Handling Restrictions:** n/a
**Reference:** n/a
**Review Action:** RELEASED, APPROVED
**Review Authority:** greeneet
**Review Comment:** n/a
**Review Content Flags:**
**Review Date:** 03 MAR 2003
**Review Event:**
**Review Exemptions:** n/a
**Review History:** RELEASED <03 MAR 2003 by PhilliR0>; APPROVED <11 FEB 2004 by greeneet>
**Review Markings:**

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

**Review Media Identifier:**
**Review Referrals:** n/a
**Review Release Date:** n/a
**Review Release Event:** n/a
**Review Transfer Date:**
**Review Withdrawn Fields:** n/a
**Secure:** OPEN
**Status:** NATIVE
**Subject:** ANTITRUST: AMERICAN HOECHST CORPORATION ACQUI- SITION OF CONTROL OF U.S. FIRM
**TAGS:** ETRD, GE, US, OECD, AMERICAN HOECHST CORP, FOSTER GRANT CO
**To:** USBERLIN
**Type:** TE
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006